

North Valley Bank in Zanesville, Ohio is pleased to comment on the Advance Notice of Proposed Rulemaking for the Community Reinvestment Act. We certainly appreciate this opportunity.

While many small financial institutions have been crippled by heavy regulatory burden, this is a great opportunity for some relief from Regulation BB, Community Reinvestment Act.

I will outline some suggestions on how to provide relief to small banks, specifically banks with total assets under \$500M.

1. More credit should be given for our employees that volunteer to participate in community events, committees and various other activities. We have employees that volunteer their time and experience within our communities ranging from coaching in youth sports leagues to sitting on the Board of Directors at the local hospital.
2. Some type of special consideration should be given if the majority of our loan portfolio is made up of commercial loans not eligible for the Community Reinvestment Act. Chances are, the nature of this local business is aiding individuals with low and moderate income.
3. When a county within the Assessment Area does not contain a low income level census tract, this should be taken into consideration when reviewing the amount of lending in LMI tracts.
4. If the bank's only presence in an entire county within the Assessment Area is in a location not central to the county's borders and only contains three full time employees, it is not realistic to expect it to service the entire county. It would be beneficial to be able to select the census tracts within that county that are contiguous to the branch's specific location to be included within the Assessment Area.
5. The ability to lend within the Appalachian Regional Commission areas without it counting against our in-out ratio would be very beneficial given the locations of North Valley Bank. Also, extra credit should be given for lending within the Appalachian Regional Commission areas.
6. Finally, make it easier for small banks to distinguish exactly what is required to obtain a Satisfactory and an Outstanding rating. I do not understand why the regulatory agency reviewing our bank cannot provide us with a Safe Harbour outline to obtain a Satisfactory rating and an Outstanding rating. Not only would this cut down on examination time, it would provide us with specific goals to achieve to obtain our desired outcome. The outline provided to us from our regulatory agency can be incorporated into our strategic planning sessions and carried out by the efforts of our entire staff.

In conclusion, thank you for allowing me to comment on the Community Reinvestment Act reform proposal. We appreciate your consideration.

Cordially,

Timothy A. Shumway  
Vice President  
North Valley Bank  
2775 Maysville Pike  
Zanesville, OH 43701  
740-450-2265  
tshumway@nvboh.bank